

California Department of Corrections  
Financial Information Memo

<b>SUBJECT:</b>	<b>FIM NUMBER:</b>
<b>INTERNAL CONTROL PROCEDURES - RECEIVING AND RELEASE</b>	<b>2003-03</b>
<b>REFERENCES:</b>	<b>DATE: MARCH 6, 2003</b>
<b>STATE ADMINISTRATIVE MANUAL SECTIONS 8021, 8024, 8025, 8111.1 GOVERNMENT CODE 13400-13407 FINANCIAL INFORMATION MEMO 2000-06 DEPARTMENT OPERATIONS MANUAL SECTIONS 74070.23, 74070.23.5</b>	

**DISTRIBUTION**

Wardens  
Associate Warden, Central Operations  
Associate Warden, Business Services  
Regional Accounting Office Managers  
Institution Accounting Offices

**PURPOSE**

The purpose of this Financial Information Memo (FIM) is to address and standardize a process where internal controls relating to the cash handling procedures for Receiving and Release (R & R) are in compliance with the State Administrative Manual, the Government Code, the Department Operations Manual and the Financial Information Memo 2000-06.

**DISCUSSION**

The control of cash funds during the inmate release process requires funds to be adequately safeguarded and limited in their accessibility. Fund transfers must be properly documented. Implementing and maintaining a system of strong internal cash handling controls throughout this process will provide protection against the mishandling and misuse of State funds.

**BACKGROUND**

Recent Spot Cash Audits conducted by Regional Accounting Office staff have identified

California Department of Corrections  
Financial Information Memo

Page 2

internal control weaknesses relating to the cash handling activities in R & R at most institutions. It is evident that the following guidelines are needed: 1) to secure release funds during transport to and from R & R, 2) to safeguard release funds while in the custody of R & R Officers, and 3) to incorporate the use of standardized forms for properly documenting the transferring of cash funds during watch changes at R & R.

**ACTION REQUIRED**

To properly address the above guidelines, the attached procedures have been developed for immediate implementation at all institutions. Once implemented, adherence to these procedures will be determined during the institution's Spot Cash Audit conducted by the Regional Accounting Office staff.

The FIM's procedures are divided into four sections. Section I highlights those steps required in the actual preparation of the release funds by the Release Box Custodian and the process of transferring release funds from the Custodian to the custody of the Releasing Officer. Sections II and III define the procedures associated with the safeguarding and the disseminating of cash release funds during the inmate's pre-release consultation and actual release. Section IV addresses the requirements for the returning of release documentation back to the Release Box Custodian by the Releasing Officer.

If you, or your staff, need assistance with the implementation of the following procedures, please contact the Manager of your Regional Accounting Office.

*ORIGINAL SIGNED BY*

WENDY STILL  
Deputy Director  
Financial Services Division

Attachments

cc: W. A. Duncan, Deputy Director, Institutions Division  
Roderick Q. Hickman, Assistant Deputy Director, Institutions Division  
Institution Regional Administrators  
Timothy Gilpin, Administrator, Regional Accounting-North  
Carol Gardemal, Administrator, Regional Accounting-South  
Paul Thatcher, Accounting Policies and Procedures Section

## RECOMMENDED PROCEDURAL GUIDELINES AND FORMS

### I. The Release Fund Preparation

---

- A. Prior to the pick-up of inmate release funds by the Releasing R & R Officer, or authorized designee (Officer), the Institution Accounting Office's Release Box Custodian, or authorized designee (IAO Custodian), will:
- Place the inmate's release funds and personal (trust) funds in an envelope as noted on the Inmate Release Statement (Attached Exhibit) and Inmate Release Listing (Attached Exhibit).
  - Note on the front of the envelope (Attached Exhibit) the inmate's name, California Department of Correction's (CDC) inmate number and the amount of release funds enclosed.
  - Attach the Inmate's Release Statement (CDC 102) to the respective envelope.
  - Secure the inmate's envelope in the IAO safe or lock box (safe) until the Officer picks up the funds / documents.

Note: The IAO Custodian will not seal the envelope at this time.

- B. The Officer will receive the inmate's release funds from the IAO Custodian while in double custody as follows:
- Both will count the release funds from the inmate's envelope and verify that the amount counted corresponds to the amount as noted on the inmate's envelope, the inmate's CDC 102 statement, and the Inmate Release Listing.
  - The IAO Custodian or Officer will seal the envelope.
  - Both will sign / initial their names across the back flap of the envelope (Attached Exhibit).
  - The IAO Custodian or Officer will place clear tape over both signatures / initials.
  - The IAO Custodian and Officer will sign / initial the Inmate Release Listing documenting the transfer of the release funds to the Officer's custody. A copy of the Inmate Release Listing is given to the Officer. The IAO Custodian will retain the original.

California Department of Corrections  
Financial Information Memo

Guidelines (cont'd)

- The Officer will place the inmate's envelope in a locked transfer bag for transport to R & R. (The CDC 102 statement and the Inmate Release Listing documentation can also be placed in the transfer bag or secured in a separate envelope for transport.)
- One key to the locked transfer bag will be secured at the IAO for the IAO Custodian and a second key "hot key" will be kept in the Officer's sole possession for same day watch releases or kept in a secured environment, such as the safe at R & R, Central Control or the Watch Commander's Office for weekend / holiday / multiple watch releases.

C. Upon return to R & R, the Officer will:

Same day watch releases:

- a. Place the locked transfer bag in the safe at R & R until such time the inmates are ready to be released. In addition, the Officer, with a witness (if other persons have access to the safe during the same watch), will note the placement of the locked transfer bag on the safe's activity log sheet (Attached Exhibit). The Officer will retain the "hot key" in his / her sole possession during the watch.

Weekend / holiday / multiple watch releases:

For the purpose of safeguarding assets in the following scenario (a & b), the locked transfer bag must not be placed in the same safe as the bag's "hot key." Both items must be accessible only to the Officer who has custody of the release funds.

- a. Place the locked transfer bag in a designated secured environment, such as the safe at R & R, Central Control or the Watch Commander's Office and, with a witness, note the placement of the locked transfer bag on the safe's activity log sheet.
- b. Place the "hot key" for the locked transfer bag in a designated secured environment, such as the safe at R & R, Central Control or the Watch Commander's Office and, with a witness, note the placement of the "hot key" on the safe's activity log sheet.

Note: By following the above guidelines for securing and documenting the envelope's contents, the counting of the unopened envelope's contents between watch changes at R & R will not be necessary from this point forward. However, documenting the transfer pursuant to the following procedures will be required.

California Department of Corrections  
Financial Information Memo

Guidelines (cont'd)

## **II. The Inmate Pre-Release Consultation**

---

- A. In preparing the inmate for release during the pre-release consultation, the Officer will:

Same day watch releases:

- a. Retrieve the locked transfer bag from the safe at R & R and, with a witness (if other persons have access to the safe during the same watch), note the removal of the locked transfer bag on the safe's activity log sheet.

Weekend / holiday / multiple watch releases:

- a. Retrieve the locked transfer bag from its secured environment, such as the safe at R & R, Central Control or the Watch Commander's Office and, with a witness, note the removal of the locked transfer bag on the safe's activity log sheet.
  - b. Pick-up the locked transfer bag's "hot key" from its secured environment, such as the safe at R & R, Central Control or the Watch Commander's Office and, with a witness, note the removal of the "hot key" on the safe's activity log sheet.
- Sign / initial the Inmate Release Listing establishing the transferring of the release funds to his / her custody.
  - Inspect the envelopes for any seal breakage.
  - Compare the envelope information as it corresponds with the information on the Inmate Release Listing and the CDC 102 statement and immediately note any discrepancies.
  - Open the inmate's envelope on either side of the envelope or at the top portion of the envelope, thus preserving the integrity of the envelope's information and signatures / initials.
  - Count the release funds from the inmate's envelope in the inmate's presence. The counted funds must agree with those amounts as shown on the CDC 102 statement, the Inmate Release Listing, and the inmate's envelope. If the amounts are different, immediately note those differences.

California Department of Corrections  
Financial Information Memo

Guidelines (cont'd)

- Request the inmate to verify the amount of his / her release funds and sign / initial the CDC 102 statement. The Officer will also sign / initial the statement.
- Place the release funds back into the envelope, reseal, and sign / initial their name on back of the envelope across the flap. The Officer will then place a piece of clear tape across the signature / initials and return the contents back to the locked transfer bag.
- Return the locked transfer bag back to the safe in R & R and, with a witness (if other persons have access to the safe during the same watch), note the return on the safe's activity log sheet. The Officer will retain the "hot key" in his / her sole possession during the watch.

### **III. The Inmate's Release**

---

A. During the actual release of the inmate, the officer will:

- Retrieve the locked transfer bag from the safe at R & R and, with a witness (if other persons have access to the safe during the same watch), note the removal of the locked transfer bag on the safe's activity log sheet.
- Give the inmate their release envelope and a copy of the signed / initialed CDC 102 statement.
- Place a copy of the signed / initialed CDC 102 statement and the Inmate Release Listing in the locked transfer bag along with any other release documentation or release funds that are to be returned to the IAO.

B. After the inmates have been released from the releasing site, the Officer will:

Same day watch releases:

- a. Place the locked transfer bag in the safe at R & R until such time the bag's contents (release documentation / returned release funds) are returned to the IAO Custodian. The Officer, with a witness (if other persons have access to the safe during the same watch), will note the placement of the locked transfer bag on the safe's activity log sheet and retain the "hot key" in their sole possession during the watch.

California Department of Corrections  
Financial Information Memo

Guidelines (cont'd)

Weekend / holiday / multiple watch releases:

For the purpose of safeguarding assets in the following scenario (a & b), the locked transfer bag must not be placed in the same safe as the bag's "hot key." Both items must be accessible only to the Officer who has custody of the release funds.

- a. Place the locked transfer bag in a designated secured environment, such as the safe at R & R, Central Control or the Watch Commander's Office and, with a witness, note the placement of the locked transfer bag on the safe's activity log sheet.
- b. Place the "hot key" for the locked transfer bag in a designated secured environment, such as the safe at R & R, Central Control or the Watch Commander's Office and, with a witness, note the placement of the "hot key" on the safe's activity log sheet.

Note: The Officer signing / initialing for the custodianship of the release funds, will at all times during the watch be responsible for securing and disseminating the release of funds to the inmates. This responsibility will include those times when the Officer of custodianship requests assistance from other authorized Officers on his / her watch.

In addition, if the inmate is not being released, the inmate's release envelope and the CDC 102 statement will be retained in the locked transfer bag for return to the IAO Custodian and noted to that effect on the Inmate Release Listing.

#### **IV. Returning Release Information to the IAO Custodian**

---

- A. Upon returning the locked transfer bag and contents back to the IAO Custodian, the Officer will:

Same day watch releases:

- a) Retrieve the locked transfer bag from the safe at R & R and, with a witness (if other persons have access to the safe during the same watch), note the removal of the locked transfer bag on the safe's activity log sheet.

California Department of Corrections  
Financial Information Memo

Guidelines (cont'd)

Weekend / holiday / multiple watch releases:

- a) Retrieve the locked transfer bag from it's secured environment, such as the safe at R & R, Central Control or the Watch Commander's Office and, with a witness, note the removal of the locked transfer bag on the safe's activity log sheet.
  - b) Pick up the locked transfer bag's "hot key" from it's designated secured environment, such as the safe at R & R, Central Control or the Watch Commander's Office and, with a witness, note the removal of the "hot key" on the safe's activity log sheet.
- B. Upon return to the IAO, the Officer, in double custody with the IAO Custodian, will:
- Review and verify that all the contents of the locked transfer bag (i.e., copies of signed / initialed CDC 102 statements and the Inmate Release Listing) are properly signed / initialed and intact.
  - Both the Officer and IAO Custodian will sign / initial the Inmate Release Listing once the IAO Custodian accepts custody of the returned release funds / documentation from the Officer.
- C. After receipt and verification has been completed, the IAO Custodian will:
- File and / or distribute as necessary.

RELEASE STATEMENT

STATEMENT NO.:

RELEASE DATE	RELEASING INSTITUTION	CDC NUMBER	RELEASEE'S NAME
PAROLE FIELD UNIT		DESTINATION AND FORWARDING ADDRESS	

☐ Discharge

☐ WFP

☐ Parole

☐ To go to Hold

☐ NTCU

☐ To go to Deport

☐ STRU

☐ Other

1. CLOTHING AUTHORIZATION

MALE

Category

Dress Clothing

Work Clothing

Slacks

Sport Coat or Jacket

Dress Shirt

Sport Shirt

Handkerchief

Tie

Belt

Suspenders

Shorts

Undershirt

Dress Socks

Dress Shoes (pair)

Raincoat (plastic)

Khakis

Whites

Work Shoes (pair)

Trousers

Shirts

Work Socks

Overalls

Work Gloves

Heavy Jacket

Hat

Overcoat or Topcoat

Zipper Bag

Special Clothing

Hose

Briefs

Bras

Slips

Duster

Gown

Hat

Shoes (pair)

FEMALE

Dress Clothing

Coat or Lined Suit

Cotton Dress

Tailored Dress

Skirt and Blouse

Two-Piece Dress

Purse

Suitcase

Clothing Authorization Cost \$

2. RESOURCES AND DISTRIBUTION

A. Personal Resources

Check No. \$

Cash \$

Bonds and Securities \$

Total Personal Resources \$

B. State Allowance \$

Less Clothing Cost \$

Less Advance to Temporary Release

Check No. \$

Cash \$

TOTAL STATE REIMBURSEMENT \$

(CASH AND CHECKS)

I hereby acknowledge receipt of the funds and clothing in items # 1 & 2.

RELEASEE'S SIGNATURE

DATE

WITNESS' SIGNATURE

DATE

APPROVED

WARDEN OR REPRESENTATIVE

DATE

I do do not authorize the Warden to donate to the Inmate Welfare Fund any money in the amount of \$0.99 or less which might accrue to my trust account after my release.

RELEASEE'S SIGNATURE

DATE

A. & B. TOTAL CASH DISTRIBUTED

\$

DISTRIBUTION:

(1) CONTROLLER—(ORIGINAL)

(2) ACCOUNTING

(3) TRUST

(4) CASHIER

(5) C-FILE

(6) P&CS DIV.

(7) CLOTHING

(8) RELEASEE



# INMATE RELEASE LISTING

Institution: \_\_\_\_\_

Control Log # \_\_\_\_\_

Statement Number	Parole Date	CDC #	Inmate Name	State Cash Allowance <small>Column A</small>	DEDUCT Clothing <small>Column B</small>	Trust Cash <small>Column C</small>	TOTAL CASH PAID <small>Column D</small>	Trust Check #	Trust Check Amt	Returned Funds <small>Column E</small>
				\$	(\$ )	\$	\$		\$	\$
					( )					
					( )					
					( )					
					( )					
					( )					
					( )					
					( )					
					( )					
					( )					
					( )					
TOTALS:					( )					( )
I acknowledge receipt of the above funds and CDC 102s for the inmates listed and totaled in Column D						I certify the disbursements listed above have been made and the return of CDC 102s signed or returned with funds as identified and totaled in Column E				
Signature: R & R Officer _____ Date _____						Signature: R & R Officer _____ Date _____				
Signature: IAO Custodian _____ Date _____						Signature: IAO Custodian _____ Date _____				
Signature: R & R Officer (watch change) _____ Date _____										
Signature: Witness _____ Date _____										
Signature: R & R Officer (watch change) _____ Date _____				ACCOUNTING USE ONLY						
Signature: Witness _____ Date _____				Column A	State Cash Allowance		RAO ORF check # _____			
				Column B	Clothing	( )	Cash Receipt # _____			
				Column C	Trust Cash		Trust Fund check # _____			



**INMATE RELEASE ENVELOPE**

INMATE'S NAME

INMATE CDC #

RELEASE FUNDS ENCLOSED

(Front of Envelope)

RELEASE FUND CUSTODIAN

RELEASING OFFICER

(Back of Envelope)



## RECEIVING AND RELEASE SAFE ACTIVITY LOG SHEET

[illegible]